



Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

November 2001

ANNOUNCEMENT OF MINIMUM FARM PRICES FOR MILK FOR DECEMBER 2001

The commodity prices per pound for cheese and butter continue to fluctuate but averaged lower, resulting in a decrease in whole milk prices of 21.8 cents per gallon. Because butter prices fell more than cheese prices, reduced fat, lowfat, and nonfat milk prices experienced smaller decreases.

This month continued to reflect a slowed economy and reduced levels of butter and cheese production. Wholesale price declines and the approaching holiday season have boosted sales somewhat, however, it is predicted that this boost is shortlived and the new year will bring a decline in demand.

Minimum Farm Prices for Various Fluid Milks by Container Size for December 2001

	Gallon	1/2 Gallon	Quart	Skim - 10.3¢	1/3 Quart	1/2 Pint
Northern California						
Whole Milk	\$1.170	\$0.585	\$0.293		\$0.098	\$0.073
Reduced Fat (2%)	\$1.078	\$0.539	\$0.270		\$0.090	\$0.067
Lowfat (1%)	\$1.026	\$0.513	\$0.257	Lowfat - 15.1¢	\$0.086	\$0.064
Nonfat (Skim)	\$0.780	\$0.390	\$0.195		\$0.065	\$0.049
Southern California				Reduced Fat - 17.8¢		
Whole Milk	\$1.194	\$0.597	\$0.298	Whole - 21.8¢	\$0.099	\$0.075
Reduced Fat (2%)	\$1.102	\$0.551	\$0.275		\$0.092	\$0.069
Lowfat (1%)	\$1.050	\$0.525	\$0.263		\$0.088	\$0.066
Nonfat (Skim)	\$0.804	\$0.402	\$0.201		\$0.067	\$0.050

Price Changes from November 2001 Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$0.218-	\$0.109-	\$0.055-	\$0.027-	\$0.018-	\$0.014-
Reduced Fat (2%)	\$0.178-	\$0.089-	\$0.044-	\$0.022-	\$0.015-	\$0.011-
Lowfat (1%)	\$0.151-	\$0.076-	\$0.038-	\$0.019-	\$0.013-	\$0.009-
Nonfat (Skim)	\$0.103-	\$0.051-	\$0.026-	\$0.013-	\$0.009-	\$0.006-

California Department of Food and Agriculture

William (Bill) Lyons Jr., Secretary

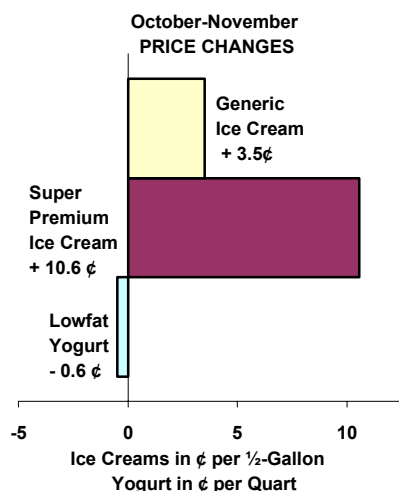
Robert "Tad" Bell, Undersecretary

Daniel E. Webb, Deputy Secretary; Valerie Brown, Deputy Secretary

Vanessa Arellano, Assistant Secretary

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Minimum Farm Prices for the Milk Component in Manufactured Dairy Products



1/ Southern California yogurt and ice cream milk product prices may be up to 1 cent more.

2/ Yogurt and ice cream prices change every second month.

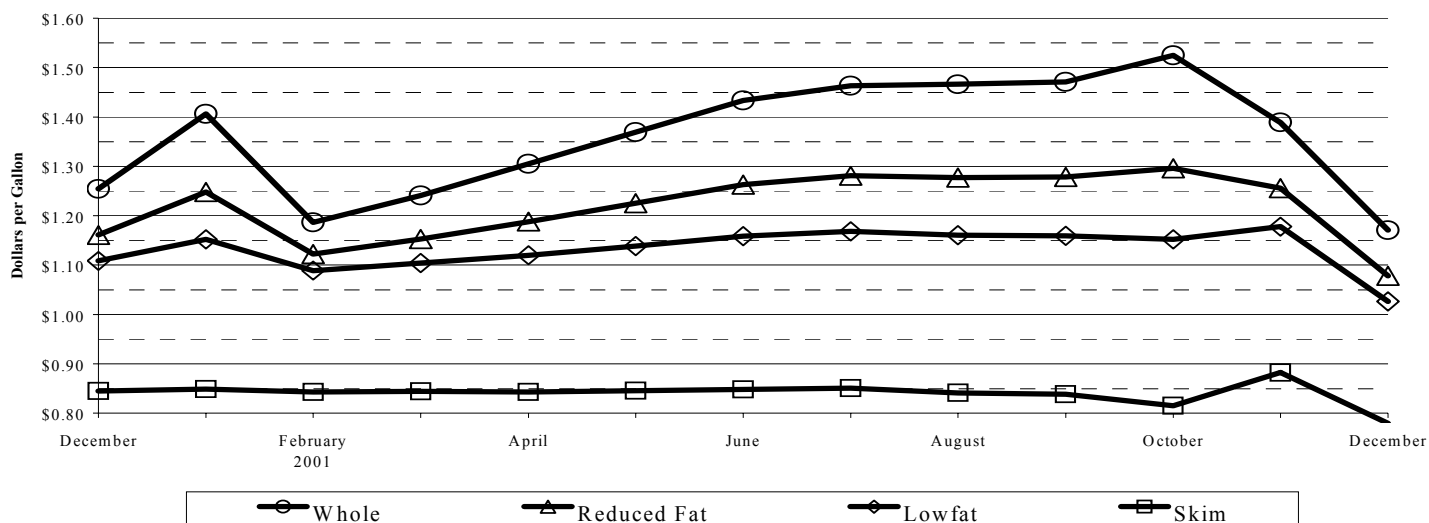
California Milk Component Farm Prices^{1/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
July	\$0.24	\$1.76	\$0.67	\$1.76	\$1.49
August	\$0.24	\$1.83	\$0.69	\$1.90	\$1.52
September	\$0.24	\$1.83	\$0.69	\$2.01	\$1.55
October	\$0.24	\$1.93	\$0.73	\$1.35	\$1.23

Price Change from the Prior Pricing Period^{2/}

July	\$—	\$—	\$—	\$0.07-	\$0.02
August	\$0.00	\$0.07	\$0.02	\$0.13	\$0.03
September	\$—	\$—	\$—	\$0.11	\$0.03
October	\$0.00	\$0.10	\$0.04	\$0.66-	\$0.32-

Farm Component of Fluid Milk Prices



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